

Political Organization  
Notice of Section 527 Status**Part I General Information**

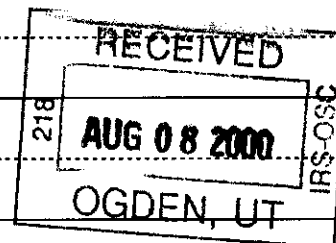
1 Name of organization <b>The John J. Doyle, Jr. Campaign Fund</b>		Employer identification number <b>43874-6362</b>
2 Mailing address (P.O. Box or number, street, and room or suite number) <b>239 N. Causeway Blvd</b>		
City or town, state, and ZIP code <b>Metairie, Louisiana 70001-5452</b>		
3 E-mail address of organization		
4a Name of custodian of records <b>Greg Figueroa</b>	4b Custodian's address <b>239 N. Causeway Blvd., Metairie, Louisiana 70001-5452</b>	
5a Name of contact person <b>William A. Murhammer, Jr.</b>	5b Contact person's address <b>3900 N. Causeway Blvd., Suite 610, Metairie, LA 70002</b>	
6 Business address of organization (if different from mailing address shown above). Number, street, and room or suite number <b>Same</b>		
City or town, state, and ZIP code <b>Same</b>		

**Part II Purpose**

7 Describe the purpose of the organization <b>The collection of campaign contributions for the purpose of electing John J. Doyle, Jr. to local political office.</b>

**Part III List of All Related Entities (see instructions)**

8a Name of related entity	8b Relationship	8c Address
None		



**9a** Name

9b Title

9c Address

None

Under penalties of perjury, I declare that the organization named in Part I is to be treated as an organization described in section 527 of the Internal Revenue Code, and that I have examined this notice, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

**Sign  
Here**

Signature of authorized officer

Date \_\_\_\_\_



From: Jennie Drage [mailto:jennie.drage@ncsl.org]  
Sent: Friday, July 28, 2000 2:57 PM  
To: legalserv-l@ncsl.org  
Subject: Urgent Information -- New Law for Section 527s

Due to a federal law passed on July 1, 2000 and effective immediately, there is a possibility that every state and local candidate and political committee may have to register as a political organization with the Internal Revenue Service by July 31, 2000 if they wish to retain their tax-exempt status. There is a currently a great deal of uncertainty among state election officials, candidates, political committees, and even the IRS regarding these new federal regulations and exactly who they affect. The following information is intended to inform NCSL members of the situation.

Until very recently, a political organization operating under Section 527 of the Internal Revenue Code (the section which allows political organizations to claim tax exempt status) was not required to register as a section 527 organization, nor were they required to disclose to the IRS information regarding contributions and expenditures. A new federal law passed on July 1 (P.L. 106-230) changes that by imposing registration and reporting requirements on Section 527s. Under the new requirements, any political organization seeking 527 status must register with the IRS by July 31, 2000.

While the media attention on this new law has focused on issue advocacy groups who were not subject to any filing or disclosure requirements (dubbed "Stealth PACs" by the media), there is uncertainty over just which organizations the new legislation in fact covers.

Some state election authorities are warning state and local candidates and committees that any political or candidate committee, even if they already file with a state-level agency, is covered by the new IRS registration and reporting requirements. The only exceptions they are citing are (1) a committee that files with the Federal Election Commission; and (2) a committee that has annual gross receipts of less than \$25,000.

NCSL has not been able to verify the accuracy of this opinion, and even the IRS appears to be struggling with how to implement the new requirements. Furthermore, NCSL as a rule does not issue tax or legal advice to its members. However, we do want to ensure that our members are informed of the situation. The deadline for filing form 8871 (the initial registration as a 527) is Monday, July 31, and the penalty for not registering appears to be a 35% tax on non-reported contributions. In view of the uncertainty surrounding this issue, the urgency of the rapidly approaching deadline, and the possibly severe penalties for non-compliance, it is advisable that any candidate or committee who is uncertain of whether or not they fall under this requirement contact the state election authority and/or the Internal Revenue Service for an opinion or seek legal advice.

### What is Section 527?

Section 527 of the Internal Revenue Code was enacted in 1975 to clarify the circumstances under

which the IRS can tax political organizations. Under Section 527, the contributions that political organizations raise are not considered taxable income. Any investment income these organizations earn is taxable. A "political organization" is defined as:

"... a party, committee, association, fund, or other organization (whether or not incorporated) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for an exempt function." 26 USC 527(e)(1)

"...the function of influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individual or electors are selected, nominated, elected or appointed." 26 USC 527(e)(2)

## Registration and Reporting Requirements

P.L. 106-230 enacts three new registration and reporting requirements for section 527 organizations:

1. an initial notice of Section 527 status (IRS Form 8871) - due by July 31, 2000
2. periodic reports of contributions and expenditures
3. modified annual tax returns

The new law is effective immediately and requires that a political organization notify the Internal Revenue Service (IRS) both electronically and in writing that the organization is to be treated as a section 527 organization.

To notify the IRS, the organization must file Form 8871, *Political Organization Notice of Section 527 Status*. The form may be downloaded at [www.irs.gov/bus\\_info/co/pol-file.html](http://www.irs.gov/bus_info/co/pol-file.html). There is also a link at the site for notifying the IRS electronically of section 527 status.

Organizations established before July 1, 2000, have until July 31, 2000 to file the required notice. Newly established organizations must file within 24 hours of their creation. Any organization that is required to file with the Federal Election Commission is exempted from these Section 527 reporting requirements. Also, any organization which reasonably anticipates that it will have less than \$25,000 in gross receipts for any taxable year is exempted from these new requirements.

## For More Information

IRS Info & Forms -- [www.irs.gov/bus\\_info/co/pol-file.html](http://www.irs.gov/bus_info/co/pol-file.html)

IRS Exempt Organizations Customer Service -- 877-829-5500

Section 527 of the Internal Revenue Code -- <http://www4.law.cornell.edu/uscode/26/527.html>

P.L. 106-230 -- <http://thomas.loc.gov/cgi-bin/bdquery/z?d106:h.r.4762>

Brookings Institution -- <http://www.brookings.edu/es/cf/527s.htm>

Contains news summaries relevant to 527s. Includes links to key court cases, legislation, and IRS advisories.

Common Cause Brief Under the Radar: The Attack of the "Stealth PACs" on Our Nation's Elections (this brief contains good summaries of what Section 527 is and how the confusion surrounding it came about) -- [www.commoncause.org/publications/utr](http://www.commoncause.org/publications/utr)

NCSL Contact -- Jennie Drage (303-830-2200 x277 or [jennie.drage@ncsl.org](mailto:jennie.drage@ncsl.org))

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**John J. Doyle, Jr. Campaign Fund**  
**239 N. Causeway Boulevard**  
**Metairie, Louisiana, 7001-5452**  
**504-831-0037**

July 31, 2000

Internal Revenue Service Center  
Ogden Ut, 84201

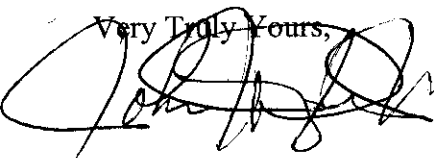
Re: Form 8871 - Political Organization Notice of Section 527 Status.

I am filing form 8871 "Notice of Section 527 Status" in the spirit of complying with recent federal legislative changes passed into law July 1, 2000 (P.L. 106-230). I was notified today July 31, 2000 that this new Federal Law may require me to register my campaign fund under these new guidelines. I have enclosed copies of the memorandum I received regarding the possibility that all political candidates may be required to file this notification.

I am currently trying to determine definitively whether my Campaign Fund is required to register as a political organization with the Internal Revenue Service. I will contact the Service in writing at such time as I have determined my filing requirements.

If you have any questions regarding this matter please feel free to contact my C.P.A. William A. Murhammer, Jr. at 504-831-3326.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "John J. Doyle, Jr.", written over the closing "Very Truly Yours,".

John J. Doyle, Jr.